

**CASA – NEW ORLEANS**  
**FINANCIAL STATEMENTS**  
**AND**  
**AUDITOR'S REPORT**  
**DECEMBER 31, 2013**

**CASA – NEW ORLEANS**

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A LIMITED LIABILITY COMPANY

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
CASA – New Orleans

We have audited the accompanying financial statements of CASA – New Orleans (a non-profit corporation), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CASA – New Orleans as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the CASA-New Orleans' 2012 financial statements, and our report dated February 20, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules listed in the table of contents are presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2014, on our consideration of CASA – New Orleans' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Justin J. Scanlon, CPA, LLC*

New Orleans, Louisiana  
February 18, 2014

**CASA - New Orleans**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2013**

<b>ASSETS</b>		<b>SUMMARIZED COMPARATIVE INFORMATION <u>December 31, 2012</u></b>
Cash	\$ 219,574	\$ 170,567
Grants receivable (Note A4 and B)	<u>30,675</u>	<u>33,798</u>
Total assets	<u>\$ 250,249</u>	<u>\$ 204,365</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued liabilities	\$ 2,336	\$ 6,792
Annual leave payable	<u>10,620</u>	<u>10,146</u>
Total liabilities	<u>12,956</u>	<u>16,938</u>
Commitment (Note C)	-	-
Net assets		
Unrestricted	<u>237,293</u>	<u>187,427</u>
Total net assets	<u>237,293</u>	<u>187,427</u>
Total liabilities and net assets	<u>\$ 250,249</u>	<u>\$ 204,365</u>

The accompanying notes are an integral part of this financial statement.

**CASA - New Orleans**

**STATEMENT OF ACTIVITIES**

**For the year ended December 31, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>SUMMARIZED COMPARATIVE INFORMATION For the year ended December 31, 2013</u>
<b>REVENUE</b>				
United Way				
Grants	\$ -	\$ 10,720	\$10,720	\$ 11,642
Other	12,655	-	12,655	11,599
Grant appropriations - Government (Note F)	-	313,968	313,968	327,734
Contributions	111,640	-	111,640	35,878
Special event, net of direct expenses of \$15,575	19,367	-	19,367	11,624
Other	3,305	-	3,305	13,561
In-kind contribution (Note A7)	9,000	-	9,000	9,000
Net assets released from restrictions	<u>324,688</u>	<u>&lt; 324,688&gt;</u>	<u>-</u>	<u>-</u>
Total revenues	<u>480,655</u>	<u>-</u>	<u>480,655</u>	<u>421,038</u>
<b>EXPENSES</b>				
Program services				
Special advocate	<u>326,065</u>	<u>-</u>	<u>326,065</u>	<u>299,724</u>
Total program services	<u>326,065</u>	<u>-</u>	<u>326,065</u>	<u>299,724</u>
Supporting services				
Management and general	87,162	-	87,162	84,667
Fund raising	<u>17,562</u>	<u>-</u>	<u>17,562</u>	<u>15,823</u>
Total supporting services	<u>104,724</u>	<u>-</u>	<u>104,724</u>	<u>100,490</u>
Total expenses	<u>430,789</u>	<u>-</u>	<u>430,789</u>	<u>400,214</u>
Increase <decrease> in net assets	49,866	-	49,866	20,824
Net assets, beginning of year	<u>187,427</u>	<u>-</u>	<u>187,427</u>	<u>166,603</u>
Net assets, end of year	<u>\$ 237,293</u>	<u>\$ -</u>	<u>\$ 237,293</u>	<u>\$ 187,427</u>

The accompanying notes are an integral part of this financial statement.

**CASA - New Orleans**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the year ended December 31, 2013**

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>		<u>SUMMARIZED COMPARATIVE INFORMATION</u>
	<u>SPECIAL ADVOCATE</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUND RAISING</u>	<u>For the year ended December 31, 2012</u>
		<u>TOTAL</u>		
Salaries	\$ 182,599	\$ 58,750	\$ 11,750	\$ 245,870
Fringe benefits	56,029	13,265	3,194	58,141
Travel	7,209	1,334	-	11,864
Occupancy	37,583	3,176	-	39,319
Supplies	4,452	557	556	3,565
Board generated self support	-	-	2,062	1,653
Training advocates	10,934	-	-	4,480
Other expenses	<u>27,259</u>	<u>10,080</u>	<u>-</u>	<u>35,322</u>
Total expenses	<u>\$ 326,065</u>	<u>\$ 87,162</u>	<u>\$ 17,562</u>	<u>\$ 400,214</u>
			<u>\$ 430,789</u>	

The accompanying notes are an integral part of this financial statement.

**CASA - New Orleans**  
**STATEMENT OF CASH FLOWS**  
**For the year ended December 31, 2013**

	<b><u>SUMMARIZED COMPARATIVE INFORMATION</u></b> <b><u>For the year ended December 31, 2012</u></b>	
Cash flows from operating activities:		
Increase in net assets	\$ 49,866	\$ 20,824
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Changes in assets and liabilities:		
<Increase> decrease in grants receivable	3,123	< 8,168>
<Increase> decrease in prepaid expenses	-	4,757
Increase <decrease> in accounts payable and accrued liabilities	< 4,456>	4,850
Increase <decrease> in annual leave payable	<u>474</u>	<u>1,818</u>
Net cash provided by operating activities	<u>49,007</u>	<u>24,081</u>
Net increase <decrease> in cash and cash equivalents	49,007	24,081
Cash and cash equivalents, beginning of year	<u>170,567</u>	<u>146,486</u>
Cash and cash equivalents, end of year	<u>\$ 219,574</u>	<u>\$ 170,567</u>

The accompanying notes are an integral part of this financial statement.



**CASA - New Orleans**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**1. Organization**

CASA - New Orleans is a non-profit corporation organized under the laws of the State of Louisiana. It trains volunteers to become Court Appointed Special Advocates for abused and neglected children in the juvenile justice system.

The corporation's major program is the training of volunteers to serve as special advocates in the juvenile justice system.

**2. Financial Statement Presentation**

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth under FASB ASC 958. Accordingly, the net assets of the corporation are reported in each of the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

The net assets and changes therein are classified as follows:

**Unrestricted Net Assets** - Contributions and other revenue and expenses for the general operation of its programs.

**Temporarily Restricted Net Assets** - Contributions and other revenues specifically authorized by the donor or grantor to be used for specific purposes.

**Permanently Restricted Net Assets** - Contributions subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Corporation pursuant to those stipulations. There were no permanently restricted net assets.

**3. Revenue Recognition**

Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions".

Grant revenue is recognized as it is earned in accordance with approved contracts.

**CASA - New Orleans**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**4. Receivables**

The corporation considers accounts receivable to be fully collectible since the balance consists primarily of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

**5. Depreciation and Amortization**

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Leasehold improvements are amortized over the lives of the respective leases or the service lives of the improvements, whichever is shorter. The straight-line method of depreciation is followed for substantially all assets for financial reporting purposes. There was no depreciation expense for the year ended December 31, 2013.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$5,000.

**6. Functional Allocation of Expenses**

The expenses of providing the program and other activities have been summarized on a functional basis in the statement of functional expenses. Certain of those expenses have been allocated among the program and supporting services benefited based on estimates by management of the costs involved.

**7. In-Kind Support**

CASA – New Orleans receives rent-free use of office space from the Orleans Parish Juvenile Court (\$9,000). The estimated value of the contributed rents are recognized as revenue and expense in the statement of activities.

**8. Cash equivalents**

For purposes of the statement of cash flows, the corporation considers all investments with original maturities of three months or less to be cash equivalents.

**9. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**10. Fair Values of Financial Instruments**

Cash and cash equivalents carrying amounts reported in the Statement of Financial Position approximate fair values because of the short maturities of those investments.

CASA - New Orleans

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

11. Subsequent Events

The subsequent events of the organization were evaluated through the date the financial statements were available to be issued (February 18, 2014).

12. Summarized Comparative Information

Summarized comparative information is presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B - GRANTS RECEIVABLE

Grant receivables at December 31, 2013 consist of the following:

Supreme Court of Louisiana	\$ 16,095
Louisiana Commission on Law Enforcement and Administration of Criminal Justice	<u>14,580</u>
	<u>\$ 30,675</u>

NOTE C - COMMITMENT

The corporation leases its administrative and program offices under an operating lease expiring July, 2018. Rent expense for the year ended December 31, 2013 totaled \$27,732. The following is a schedule of minimum rental payments due under its operating lease.

Year ending December 31,

2014	\$ 29,880
2015	29,880
2016	29,880
2017	29,880
2018	<u>17,430</u>
	<u>\$ 136,950</u>

The corporation also has offices in the Orleans Parish Juvenile Court (see Note A7).

**CASA - New Orleans**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 30, 2011**

**NOTE D - INCOME TAXES**

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

CASA - New Orleans has adopted the provisions of FASB ASC 740-10-25, which requires a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. CASA - New Orleans does not believe its financial statements include any uncertain tax positions. CASA-New Orleans' tax returns for the years ended 2011 and 2012 remain open and subject to examination by taxing authorities. CASA-New Orleans' tax return for 2013 has not been filed as of the report date.

**NOTE E - BOARD OF DIRECTORS COMPENSATION**

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member for the year ended December 31, 2013.

**NOTE F - SUMMARY OF FUNDING**

CASA - New Orleans' funding for governmental grants consist of the following.

<u>Grants</u>	<u>Periods</u>	<u>Grant Award</u>	<u>Revenue Recognized</u>
<b><u>Governmental</u></b>			
Louisiana Commission on Law Enforcement and Administration of Criminal Justice CASA Program	4/1/12-3/31/13	\$ 70,000	\$ 13,213
	4/1/13-3/31/14	63,000	59,193
State of Louisiana - Supreme Court	7/1/12-6/30/13	295,099	131,127
	7/1/13-6/30/14	248,497	<u>110,435</u>
Total governmental grants			<u>\$ 313,968</u>

**NOTE G - ECONOMIC DEPENDENCY**

CASA - New Orleans received the majority of its revenue from funds provided through grants administered by the State of Louisiana. The grant amounts are appropriated each year by the federal and state government. If significant budget cuts are made at the federal and/or state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive in the next fiscal year.

The corporation's support through federal grants totaled 64% for the year ended December 31, 2013.

## **SUPPLEMENTAL INFORMATION**

**CASA - New Orleans**

**STATEMENT OF ACTIVITIES BY PROGRAM**

**For the year ended December 31, 2013**

**SPECIAL ADVOCATE**

**REVENUE**

Grant appropriations – government	\$ 313,968
Contributions	111,640
In-kind contribution	9,000
United Way designations	12,655
Unrestricted revenue	<u>22,672</u>
Total self-generated revenue	469,935
 United Way	 <u>10,720</u>
Total revenue	<u>480,655</u>

**EXPENSES**

Salaries	182,599
Fringe benefits	56,029
Occupancy	37,583
Travel	7,209
Supplies	4,452
Training - advocates	10,934
Other program expenses	<u>27,259</u>
Total direct program expenses	<u>326,065</u>
 Support service expenses	 <u>104,724</u>
Total expenses	<u>430,789</u>

**INCREASE <DECREASE> IN NET ASSETS** \$ 49,866

**CASA - New Orleans**

**STATEMENT OF ACTIVITIES – LOUISIANA  
SUPREME COURT TANF PROGRAM**

**For the year ended December 31, 2013**

	<b>For the period January 1, 2013 through <u>June 30, 2013</u></b>	<b>For the period July 1, 2013 through <u>December 31, 2013</u></b>	<b><u>Total</u></b>
<b>REVENUE</b>			
Grant appropriations	\$ 131,127	\$ 110,435	\$ 241,562
Total revenue	<u>131,127</u>	<u>110,435</u>	<u>241,562</u>
<b>EXPENSES</b>			
Salaries	70,785	61,925	132,710
Fringe benefits	14,299	14,806	29,105
Professional services	2,358	2,026	4,384
Operating expenses	19,366	18,981	38,347
Travel	2,154	849	3,003
Training	3,847	2,896	6,743
Supplies	830	907	1,737
Printing	418	447	865
Administration	<u>17,070</u>	<u>7,598</u>	<u>24,668</u>
Total expenses	<u>131,127</u>	<u>110,435</u>	<u>241,562</u>
Increase <decrease> in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# Justin J. Scanlan, C.P.A., L.L.C.

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

### **Independent Auditor's Report**

Board of Directors  
CASA – New Orleans

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of CASA – New Orleans (a nonprofit organization), which comprise the statement of the financial position as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 18, 2014.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered CASA – New Orleans' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CASA-New Orleans' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether CASA-New Orleans's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance, or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Justin J. Scanlon, CPA, LLC*

New Orleans, Louisiana  
February 18, 2014

**CASA-NEW ORLEANS**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the year ended December 31, 2013**

**A. FINDINGS – FINANCIAL STATEMENTS AUDIT**

There were no financial statement findings for the year ended December 31, 2013.

**B. QUESTIONED COSTS**

There were no questioned costs for the year ended December 31, 2013.

**C. STATUS OF PRIOR YEAR AUDIT FINDINGS**

There were no prior year audit findings.